

## HOUSE JOINT RESOLUTION NO. 26

INTRODUCED BY HARRIS, MCGILLVRAY, WISEMAN, HINER

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE HISTORY AND TRENDS OF THE STATE'S RELIANCE ON AND USE OF FEDERAL FUNDS, OF THE HISTORY, TRENDS, AND PORTENTS OF FEDERAL BUDGET DEFICITS, PARTICULARLY AS TO HOW FEDERAL BUDGET DEFICITS HAVE AFFECTED AND MAY IN THE FUTURE AFFECT THE AVAILABILITY OF FEDERAL REVENUE FOR STATE-ADMINISTERED PROGRAMS, AND OF OPTIONS AVAILABLE TO THE LEGISLATURE FOR DEALING WITH REDUCTIONS IN THE AVAILABILITY OF FEDERAL FUNDS FOR PROGRAMS ADMINISTERED BY THE STATE.

WHEREAS, the budget deficit for the federal government for fiscal year 2005 is currently estimated by the Congressional Budget Office to be \$368 billion, excluding the additional \$80 billion requested in January for the cost of the war in Afghanistan and Iraq this year; and

WHEREAS, according to the Congressional Budget Office, the national debt at the end of 2004 stood at \$7.355 trillion and is projected to be \$7.975 trillion by the end of this year; and

WHEREAS, according to the Congressional Budget Office, budget deficits for the federal government may increase over the next 5 years; and

WHEREAS, the United States Congress has in recent years reduced direct funding and matching grants available to Montana and other states; and

WHEREAS, the proportion of the budget of the State of Montana paid for by federal dollars is currently 47%; and

WHEREAS, decreases in federal funding that supports state programs will not only challenge the state budget, but will also adversely affect local governments and tribal governments and the citizens whom they serve.

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF MONTANA:

That the Legislative Council be requested to designate an appropriate interim committee, pursuant to

1 section 5-5-217, MCA, or direct sufficient staff resources to:

2 (1) examine and analyze the history and trends of the state's reliance on the use of federal funds in  
3 programs administered by the state or jointly by the state and local governments;

4 (2) examine and analyze:

5 (a) the potentially dramatic increases in future federal budget deficits and, by default, the national debt;

6 (b) the probability that increases in federal budget deficits will result in substantial and permanent  
7 decreases in federal funding for state-administered programs; and

8 (c) the possible nature and scope of impacts to state-administered programs, including programs that  
9 affect local governments and tribal governments, that may be inferred from potential decreases in federal  
10 funding; and

11 (3) identify policy options available to future Legislatures to prepare for and address reductions in  
12 federal funding for state-administered programs.

13 BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be  
14 presented to and reviewed by an appropriate interim committee designated by the Legislative Council.

15 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review  
16 requirements, be concluded prior to September 15, 2006.

17 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,  
18 comments, or recommendations of the appropriate committee, be reported to the 60th Legislature.

19 - END -